

Program Budget Narratives

General Government

Legislature

Mission

To perform each of the duties and to exercise all of the legislative functions granted or ordered by the Constitution of Indiana.

Summary of Activities

The first branch of state government established by the Constitution of the State of Indiana is the Indiana General Assembly (Article IV). The General Assembly is comprised of a **House of Representatives** and a **Senate**. The Constitution fixes the maximum number of Senators at 50, while the House can include up to 100 members.

The Constitution makes each chamber of the General Assembly a fully autonomous and independently organized body. The General Assembly is the only branch of government that is permitted to change the laws of the state. Holding the purse strings of government is a very important power of the General Assembly — no money may be drawn from the State Treasury except by an appropriation made by the Legislature. Each chamber elects its own officers and has its own rules of procedure. However, the Lieutenant Governor serves as the President of the Senate by virtue of his or her office.

In the absence of the Lieutenant Governor, the President Pro Tempore presides over the Senate. Senator Robert D. Garton of Columbus was elected by the Senate to serve as the President Pro Tempore for the 113th General Assembly. His leadership counterpart in the House of Representatives is Speaker B. Patrick Bauer of South Bend.

Each General Assembly meets for a two-year term. The term begins after each general election held in November of even-numbered years. The first session is referred to as the “long session.” It meets until April 29 of each odd-numbered year. The “short” session runs during even-numbered years and must conclude by March 14. The primary difference between the sessions is that the biennial budget is adopted during the long session.



The House of Representatives and the Senate have formed about three dozen standing committees to study legislation introduced by the members. During a “long” session approximately 2,200 bills are introduced. About 900 to 1000 bills are introduced during a “short” session. The committee chairpersons decide which introduced bills are “heard” or considered. If the committee favors a bill, it “reports” the bill back to the full chamber.

The Senate, or House, may attempt to amend the bill during the “second reading” of the bill. After debate, a bill is eligible to be placed on the “third” reading calendar. A bill on third reading is voted “yea” or “nay” by the full body. If a bill receives at least 51 House votes, or 26 Senate votes, it is sent to the other chamber where it must once again pass through three readings in order to progress to the Governor’s desk for his or her signature or veto.

After completing its session work, the General Assembly adjourns until the following year, unless the Governor calls a special session. Special sessions are generally called to deal with budgetary matters, but in rare instances have been used to deal with other substantive and time-sensitive legislation.

While the General Assembly is adjourned, the Legislative Council manages the day-to-day operations of the organization. The Council includes the leaders of the four caucuses and twelve other legislative leaders. The Council meets in May or June to establish “interim” study committees, which are assigned a number of topics to study in depth.



B. Patrick Bauer
Speaker of the House
of Representatives

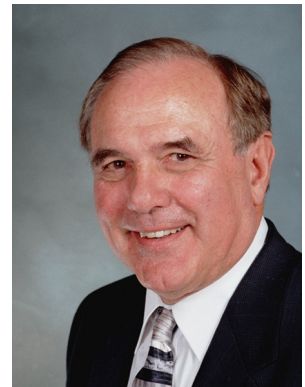
Most interim study committees draft legislation and a final report to recommend to the full General Assembly. A small partisan staff serves each caucus. The Principal Secretary of the Senate manages the Senate, while the House elects a Principal Clerk.

Each caucus has professional fiscal analysts who advise the caucus members of the fiscal impact of the biennial budget bill and other bills. In addition, persons who assist with constituent services and media relations serve each caucus.

In addition to partisan support staff, the Legislative Services Agency (LSA) serves as the nonpartisan administrative agency for the entire Indiana General Assembly. LSA is composed of three main offices. The Office of Bill Drafting and Research consists of one director, one deputy director, and 19 full-time attorneys. The legal staff drafts bills,

conducts research, and staffs all session and many interim legislative committees. The Office of Code Revision consists of one director, two deputy directors, three full-time proofreaders, seven temporary session proofreaders, three full-time printing staff, six session staff, and two administrative assistants. The office implements revisions to, publishes, and distributes the Indiana Code, the Acts of Indiana, and the Indiana Administrative Code and Register. Collectively these publications contain all of the current laws and all of the administrative rules of state government. The Office of Fiscal and Management Analysis consists of one director, one deputy, and 12 fiscal analysts. The office conducts fiscal and management research and analysis.

In addition to the above offices, LSA is responsible for providing paper or electronic copies of all legislative bills, amendments, resolutions and other legislative documents to the public. It also maintains the computer network for the House, Senate and LSA, serves as Indiana's liaison with the United States Bureau of the Census for the Block Boundary and other redistricting-related programs, and publishes all legislative bills for distribution to the General Assembly. LSA also compiles, prints and distributes the annual Indiana Handbook of Taxes, Revenues, and Appropriations.



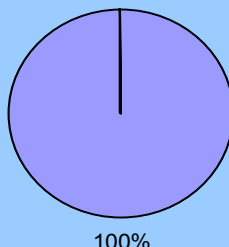
Robert D. Garton
President Pro Tempore
of the Senate

Program: 0900

| | Actual FY 2001 | Actual FY 2002 | Estimate FY 2003 | Appropriation FY 2004 | Appropriation FY 2005 |
|-------------|-------------------|-------------------|---------------------|--------------------------|--------------------------|
| (All Funds) | \$29,390,643 | \$29,091,625 | \$33,585,823 | \$31,720,758 | \$35,553,459 |

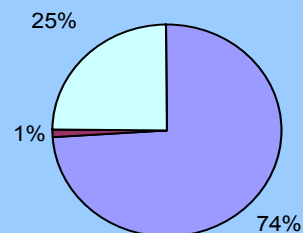
**Sources of Funds
FY 2004 (Approp)**

□ General ■ Dedicated □ Federal □ Other



**Uses of Funds
FY 2004 (Approp)**

□ Personal Services ■ Distributions □ Capital □ Other



Support and Operations

Mission

To provide administrative and support services to all state operations in a manner that allows state agencies to serve the citizens of Indiana in an effective, responsive, and efficient manner.

Summary of Activities

A variety of state agencies, boards, and commissions provide essential support services to state agencies. They include:

The Indiana Department of Administration (IDOA) manages state construction projects, administers procurement and service contract procedures, manages and maintains state-owned facilities, oversees compliance with state and federal laws regarding minority, disadvantaged, and women business enterprises, and provides general services including the state motor pool, printing, mail distribution, recycling and travel. The recycling division of IDOA manages the continuing development and implementation of Indiana's Greening the Government Program. The procurement division has duties that include vendor registration, bid solicitation, vendor selection, contract compliance, and procurement of goods and services. IDOA provides maintenance for the Indiana Government Center Complex in Indianapolis, which includes state office buildings and the Statehouse.



The IDOA Division of Information Technology (DoIT) provides fee-based technology services to state government, including a full range of voice and data network services; mainframe, midrange and local area network services; and quality, innovative, cost-effective and timely information technology services. The Information Technology Oversight (ITOC) reviews and oversees technology projects pursued by state agencies.



Stephen Carter
Attorney General

The Office of the Attorney General represents the State of Indiana in legal matters. The State Ethics Commission promotes ethical conduct of state officers and employees through training, advising and enforcement of the standards of conduct.

The State Personnel Department provides human resource services to state agencies including: developing and maintaining the Human Resource Information System (HRIS); consulting on organizational design; managing the classification and compensation system; administering health insurance and other employee benefits; providing high quality professional training and development courses; attracting a diverse workforce; developing state personnel policy; and leading negotiations with the three state unions and administering the resulting settlements. The State Employees' Appeals Commission reviews complaints filed by state employees and sets evidentiary hearings for appropriate cases.

The Public Employees' Retirement Fund (PERF) provides pensions and pension services to most state employees, the legislature, the judiciary, and employees of participating municipal units. PERF manages approximately \$10 billion in combined assets. The fund covers nearly 200,000 current and former employees of more than 1,100 separate employers, and pays benefits to nearly 60,000 retired or disabled members on a monthly basis.

External Factors

There are many external factors affecting the services provided by the support and operations agencies: the rising cost of fuel and materials, budget appropriations, shortage of skilled labor, economy and job market, changing technology, increasing use of electronic records, and changes in state and federal pension and tax laws.

Evaluation and Accomplishments

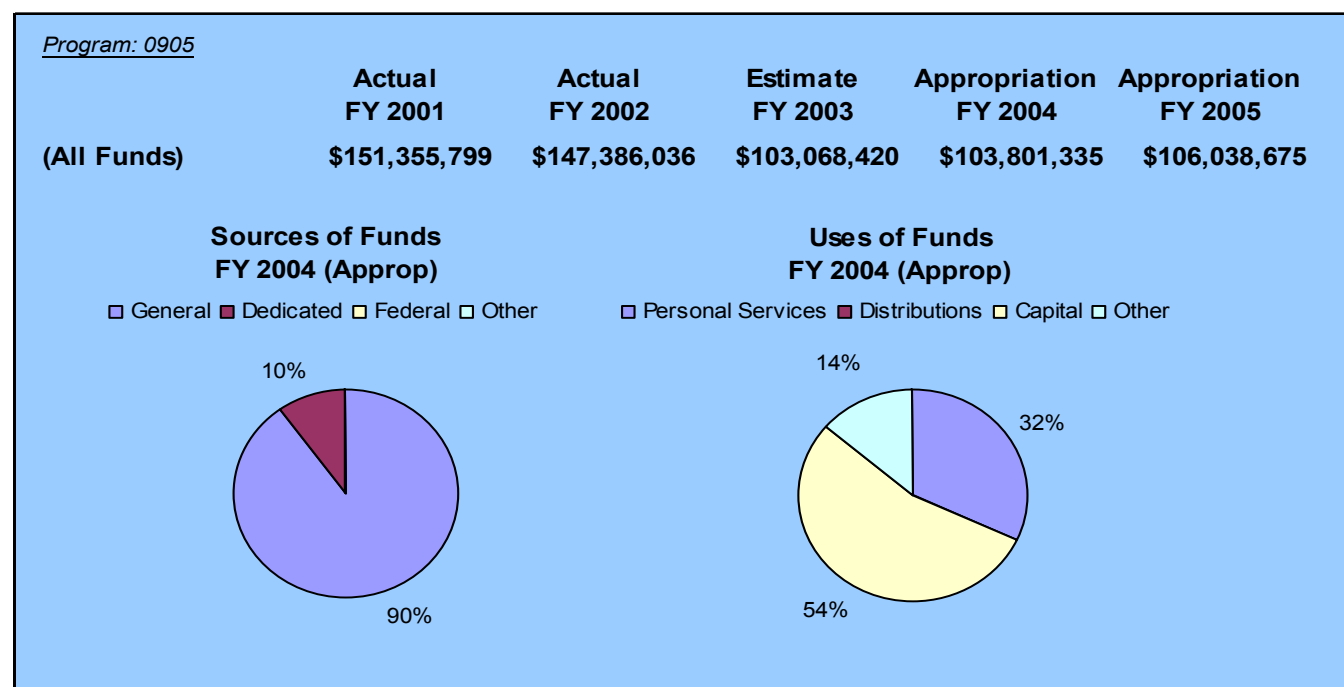
Police security for the Indiana Government Center formerly administered through the Indiana Department of Administration (IDOA) was transitioned to the jurisdiction of the Indiana State Police to better coordinate the law enforcement services and protection to workers and visitors in the state government buildings. The efforts of IDOA to grow and mentor minority business appears to be producing results as more and larger projects are awarded to minority-owned businesses. In the 2002 Digital States Survey Indiana ranked number one among all states in the category of Management and Administration of Information Technology. ITOC developed and promulgated new accessibility guidelines for public information systems.

The State Personnel Department achieved over \$4 million in savings as a result of the State's Voluntary Furlough Program and adjusted the compensation plan to offset increases in state employees' healthcare contributions. The Department also administered the Early Retirement Incentive Program which resulted in approximately 1,400 state employees retiring. It also enhanced the utilization of technologies including web-based insurance open enrollment, electronic training materials, online employment application process, online training registration process, and a new Job Bank search engine.

PERF worked closely with the State Personnel Department to successfully administer the State Retirement Incentive Plan. PERF's call center completed its first year of service to PERF's members and employers fielding nearly 100,000 calls at an average speed of answer of less than 30 seconds and a 97% answer rate in its first year of operation. A new hiring policy to include criminal background checks on all current and new employees was adopted in recognition of the sensitive, personal information PERF is charged with managing. The Fund has also engaged a security consultant to undertake a cyber and physical security assessment.

Plans for the Biennium

The Procurement Division within the Indiana Department of Administration will continue to evaluate the initiation of eProcurement. The Public Works Division will work with state agencies to assess their physical needs and plans. DoIT will increase the resource sharing opportunities to focus on the evolving needs of their customers. PERF will continue to pursue initiatives designed at improving customer service and providing enhanced access to information and services by members and employers. PERF's publications and website will undergo review and update.



State Financial Management

Mission

To provide safe, prudent, efficient, and proper budgeting and management of public funds.

Summary of Activities

The **Auditor of State** maintains and oversees the financial records of the State of Indiana, as directed by appropriate accounting standards and the Indiana Code. The Auditor of State's office also provides services to other agencies and branches of government regarding financial issues and analysis. The Auditor of State's office pays the state's bills and manages the state's payroll.



Connie Kay Nass
Auditor of State



Tim Berry
Treasurer of State

The **Treasurer of State** is responsible for the safekeeping and investment of monies paid into the State Treasury. The Treasurer's office invests and accounts for over \$3.5 billion, including the state general fund and over 70 trust funds, and manages and invests the Public Deposit Insurance Fund.

The **State Budget Agency** oversees the development, enactment, and implementation of the state budget. As part of this process, the Budget Agency develops a comprehensive recommendation that is submitted to the General Assembly. The Budget Agency also uses its allotment and accounting management responsibilities to ensure that the state budget is implemented in accordance with the appropriations act and the Governor's fiscal priorities. In addition, the Budget Agency provides ongoing fiscal and policy analysis to the Governor and the General Assembly on policy issues

and proposals. The Budget Agency is a major part of the state's revenue forecasting process and provides forecasts of a variety of revenue sources that aid in budget development.

The **State Board of Accounts** audits the financial statements of all governmental units within the state, including cities, towns, utilities, schools, counties, license branches, state agencies, hospitals, libraries, townships, and state colleges and universities. Investigatory audits are performed to reveal fraud or noncompliance with local, state and federal statutes. The Board of Accounts also prescribes forms and uniform accounting systems, provides training for public officials and employees, publishes manuals, newsletters and technical bulletins, and offers consulting services to officials at the state and local levels.

External Factors

State financial management can be strongly affected by differences between forecast and actual revenue collections, and between expenditure pressures and budgeted appropriations. Budgets are developed and enacted 24 to 36 months prior to the end of the budget period. As history has indicated, the state's – and the nation's – economy can change drastically during that period of time. As a result, both the amount of state revenue and the need for state services can change as well.

The Treasurer's ability to maximize state interest earnings is affected by changing interest rates and financial markets, while changes in accounting standards affect the audit practices of the State Board of Accounts and, thereby, all state and local units of government. The technology, staffing, and equipment needs of the Auditor of State are determined by the requirements imposed upon it by the General Assembly, state agencies, and local governmental units.

Funding the State share of Medicaid assistance and Department of Correction needs are two of the challenges the State administration confronts in managing the budget for Fiscal Years 2004 and 2005. The General Assembly effectively maintained Medicaid appropriations for Fiscal Years 2004 and 2005 at Fiscal Year 2003 levels and limited growth in Correction appropriations for the budget biennium. However, \$168.0 million of new federal aid will benefit the Medicaid program in Fiscal Year 2004. In addition, another \$103.1 million of federal aid is expected to be available in Fiscal Year 2004 for limited budget relief.

Indiana Department of Financial Institutions

Evaluation and Accomplishments

The strong performance of the organizations charged with state financial management have helped to mitigate some of the effects of a recession that resulted in two consecutive years of declining revenues while still maintaining the state's fiscal integrity. The state's shadow bond rating has continued to remain at Aa1 / AA+, the highest level in the history of the state and only one level below AAA, the highest rate possible. In FY 2001, the Treasurer generated interest earnings on the state's investment portfolio of over \$160 million. Tighter federal audit requirements have been met and local government audit reports have been streamlined. By developing both technical resources and computer applications, financial transactions can be processed faster and financial information can be made available to state agencies and local political subdivisions in a more timely and efficient manner.



Plans for the Biennium

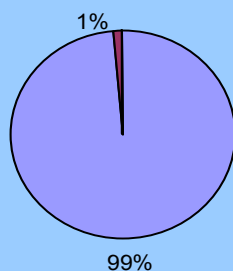
The State Budget Agency will continue its efforts to provide better information, analysis, and forecasting to the Governor and the General Assembly. The Budget Agency will continue to monitor allotments and capital expenditures for each agency. Financial management agencies will continue to improve support to state and local governments, allowing them to be more efficient, effective, and responsive to the changing needs of Hoosiers. The Treasurer will continue to improve upon the state's investment performance.

Program: 0910

| | Actual FY 2001 | Actual FY 2002 | Estimate FY 2003 | Appropriation FY 2004 | Appropriation FY 2005 |
|-------------|-------------------|-------------------|---------------------|--------------------------|--------------------------|
| (All Funds) | \$25,714,676 | \$226,532,972 | \$201,832,641 | \$27,540,277 | \$27,540,277 |

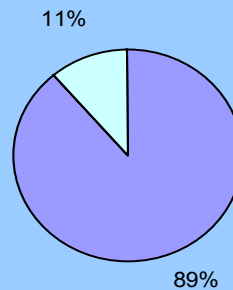
**Sources of Funds
FY 2004 (Approp)**

□ General ■ Dedicated □ Federal □ Other



**Uses of Funds
FY 2004 (Approp)**

□ Personal Services ■ Distributions □ Capital □ Other



State Tax Collection & Administration

Mission

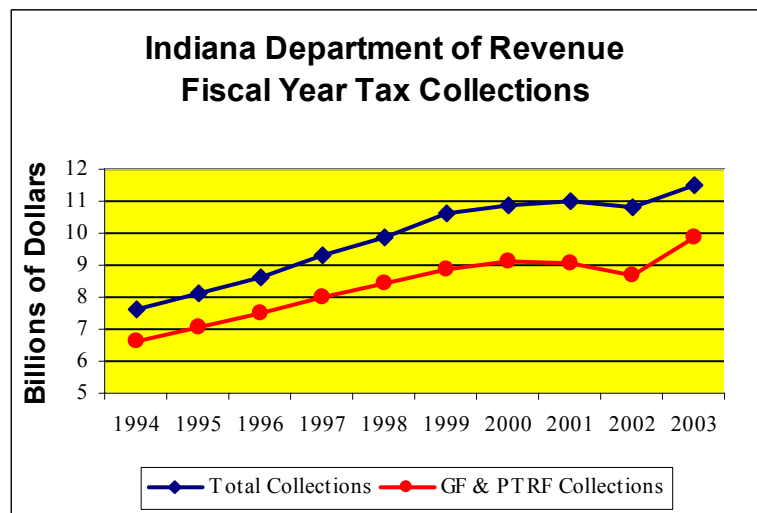
To administer the tax laws of Indiana in an equitable and courteous manner and to promote the highest degree of public trust and voluntary compliance.

Summary of Activities

The **Department of Revenue (DOR)** serves as the state's primary administrator for tax laws, collecting over 40 taxes and fees from taxpayers. The DOR closed out FY 2003 with collections exceeding \$11.5 billion.

The total tax filing population consists of 2.8 million individual income tax returns — 96,000 corporate, 180,000 sales and use tax, 155,000 withholding tax, 55,000 fiduciary, 14,500 inheritance tax, 800 financial institutions tax, 50,000 motor carriers, 36,000 insurance and authority carriers, 250 various other motor fuel filers along with alcoholic beverage and tobacco filers. Also included as customers are approximately 1,000 annual charity gaming (bingo) license holders and 30,000 International Registration Plan permit holders.

The Audit Division of the DOR promotes voluntary tax compliance throughout the state and country in all tax areas through quality examinations. The Audit Division is divided into two sections, Income / Sales and Special Taxes. The DOR Criminal Investigation Division works closely with the auditors regarding enforcement.



External Factors

The Department of Revenue is impacted by growth in the total number of tax filers, increasing costs for traditional forms of communication such as printing and postage, and the rapid emergence of new technologies. These factors present both challenges and opportunities for the Department. While traditional methods of communicating with tax filers cannot be abandoned in the foreseeable future, information technology tools can be used to supplement traditional methods; and, to some extent, offset their increasing costs. The Department is now turning its attention to the Internet to allow taxpayers easy access to file and pay known liabilities.

Evaluation and Accomplishments

The use of electronic filing for tax purposes continues to expand in Indiana. In 2002, the Department experienced its first year where more than half of all individual income tax returns were received electronically (including 2D barcodes).



In 2003, the number increased again where preliminary figures show that almost two-thirds of all returns were received electronically. Electronic returns are quicker and less expensive to process than traditional paper returns, produce fewer errors, and generate faster refunds.

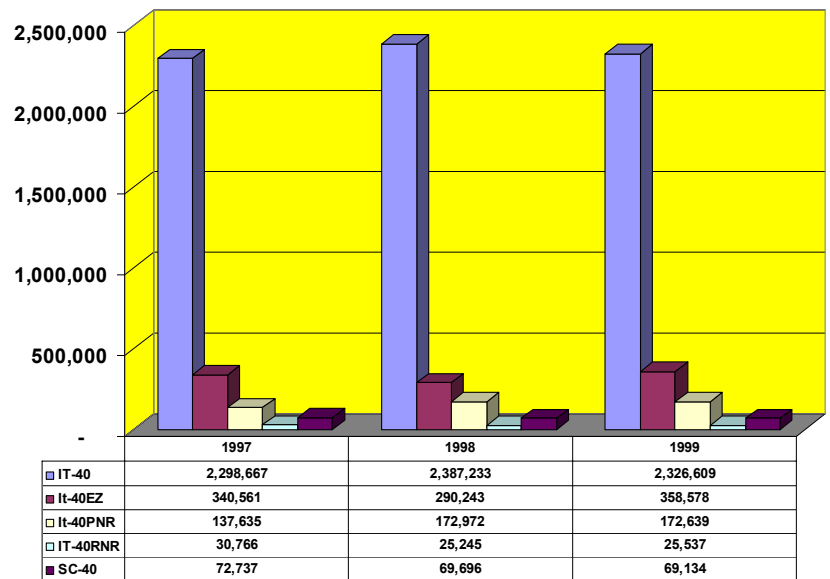
INDIANA DEPARTMENT OF REVENUE

INTERNET TAX FILING

Though tax payments have recently been accepted over the Internet, the Department has added another feature: eCheck. The eCheck payment method, which uses a paperless check, was available for the first time during the past filing season. This new service can be used to pay the tax due on the individual income tax return, or any billing issued by the Department for any type of tax.

A BT-1 Internet application was launched in 2003. This allows taxpayers to register with the Department for various tax types and receive a retail merchant's certificate. This application is for new filers only and cannot be used to update current information about an existing business. Once the application is completed and submitted, the taxpayer will hear back from the Department within 48 hours on the status of the application.

Department of Revenue Individual Returns Processed



Plans for the Biennium

The Department of Revenue will continue to develop and implement innovative processes that will enhance customer service, improve efficiency, and create a more reliable, customer-focused revenue system.

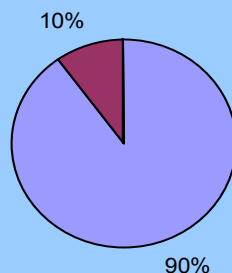


Program: 0915

| | Actual FY 2001 | Actual FY 2002 | Estimate FY 2003 | Appropriation FY 2004 | Appropriation FY 2005 |
|-------------|-------------------|-------------------|---------------------|--------------------------|--------------------------|
| (All Funds) | \$68,379,533 | \$60,720,351 | \$58,301,700 | \$60,362,024 | \$60,362,024 |

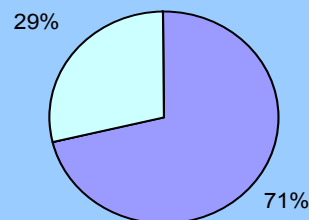
Sources of Funds FY 2004 (Approp)

□ General ■ Dedicated □ Federal □ Other



Uses of Funds FY 2004 (Approp)

□ Personal Services ■ Distributions □ Capital □ Other



Local Tax & Budgeting Administration

Mission

To oversee and administer Indiana's property tax control laws, including provisions that regulate local government spending and decision-making.

Summary of Activities

The **Department of Local Government Finance** (DLGF) is responsible for the review of budgets, excessive levies, and bond issues secured by local property taxes. The DLGF's Budget Division has the primary responsibility for monitoring local government spending. The DLGF advises local units during the budget planning stages. It also oversees and ultimately certifies all units' budgets, rates, and levies in the state. In a typical year, the Budget Division reviews approximately 2,300 budgets. The statutory deadline for approval of budgets is February 15.

In addition, the DLGF, with the advice and recommendation of the Local Government Tax Control Board and the School Property Tax Control Board, reviews new capital requests and financing methods for proposed projects ranging from new school construction to fire truck purchases. In a typical year, the DLGF reviews approximately 200 bond issues, 200 appeals for levy limitations, and 1,900 requests for additional appropriations affecting 4,000 different levy funds.

In order to administer the budgeting system, the DLGF maintains LOGODABA (the Local Government Database) that serves both as a tool for the agency during the local budget certification process and as a warehouse for local government property tax information. Other state agencies, academics, and the general public regularly use this information.

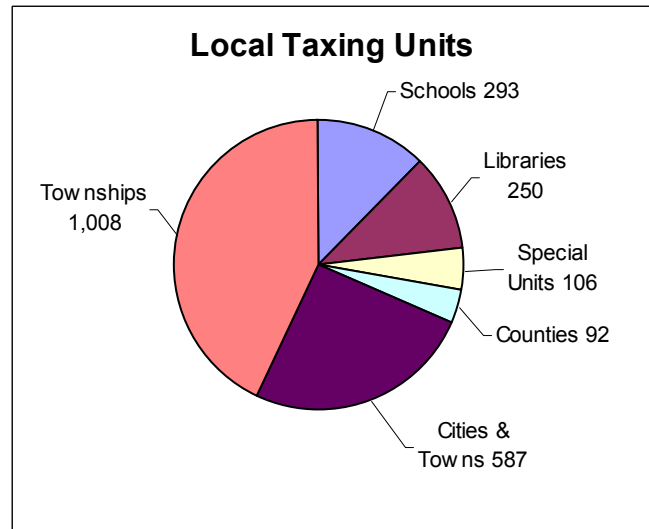
The budget division also reviews and approves personal property tax abatement requests filed throughout the state.

The division offers new official training in the spring and holds individualized sessions with each taxing unit during the summer. Additionally, staff members regularly speak to various associations on the local government budget process and are available to meet with locally elected officials and others to discuss questions pertaining to the budget process, review specific issues that arise, and answer general questions about the DLGF.

External Factors

The most significant external factors affecting local tax administration and budgeting are (1) completion of the 2002 reassessment; (2) balancing the need for independent local decision making with the need for coordinated and responsible oversight, and (3) tracking, advising, and keeping local units current on changing legislative requirements.

The most serious exterior impact on local budget making and the DLGF's budget division is the implementation of the court-ordered reassessment. The budget process begins with certification of assessed values (AVs). Many counties have had software problems and associated delays in completing the 2002 reassessment, and, thus, delay in determination of AVs. Many counties will not complete the current year's budget process before the next year's budget cycle begins. These deviations from the standard budget cycle pose significant administrative challenges.





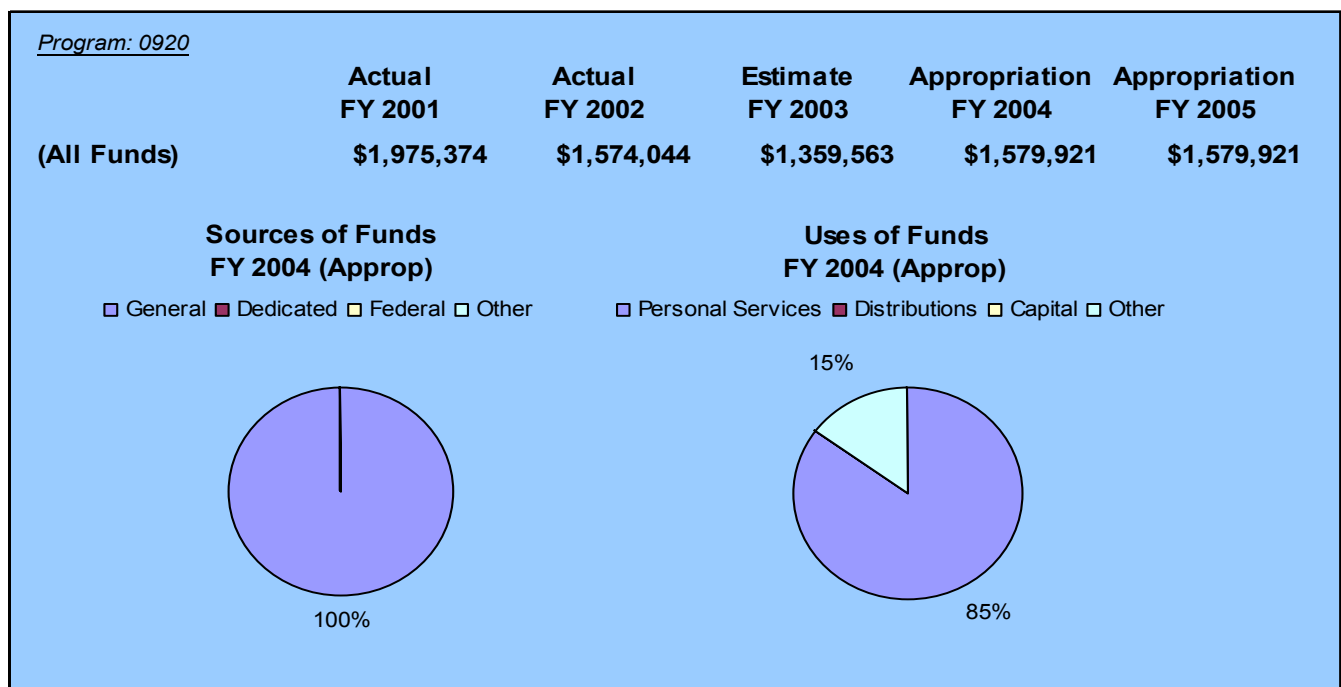
DLGF's review of local finances requires the agency to act as both adviser to local government and an enforcer of statutory protections for taxpayers. Maintaining a balance between adviser and enforcer is a challenge. Legislative and rule changes to the budget process occur annually. These changes drive the need for continuing training, both for the DLGF and local officials, to ensure compliance with statutory requirements. Changes also require upgrades and other modifications to budget programs and tools used to support the process.

Evaluation and Accomplishments

The DLGF continues to participate in many local government conferences to educate cities, towns, counties, and schools on the budgeting process and holds annual budget workshops and conduct one-on-one training for all taxing units. By statute, the DLGF is to issue budget orders by February 15. The DLGF has been proactive in identifying needed legislative changes. In these challenging years, the budget division has made several changes in its former practices in order to accommodate the changes in assessment methodology and implement the reassessment. These and other changes have required extensive modification to the software applications that support the budget process.

Plans for the Biennium

The DLGF's objectives for local tax administration in the next biennium are to continue to improve training opportunities for local officials and continue to improve the use of technology. By concentrating on training, the DLGF hopes to decrease the number of errors and omissions that sometimes occur in the budgeting process and to help local officials do their jobs more effectively. The DLGF's field budget program is revised annually with the ultimate goal of making it available to local officials for use during the budget process. The program ensures that calculations are made correctly and expedites data collection, transfer, and review.



Property Tax Administration

Mission

To ensure an equitable and uniform application of the property tax laws as administered by local officials. This includes hearing appeals from local property tax boards of appeal (PTABOA).

Summary of Activities

The **Department of Local Government Finance (DLGF)** and the **Indiana Board of Tax Review (IBTR)** are charged with property tax administration in Indiana.

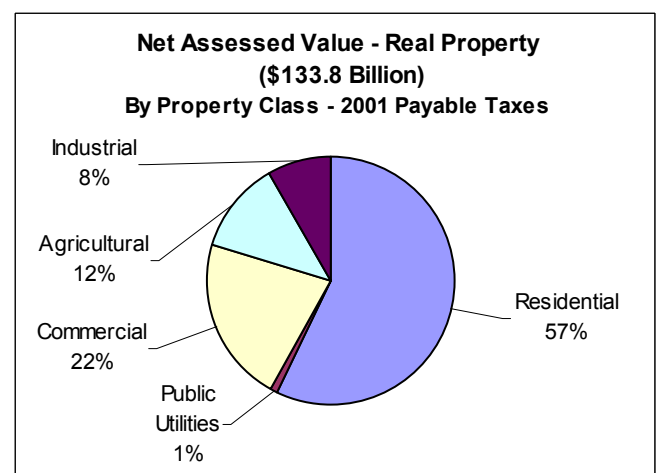
The DLGF interprets and provides guidance on the property tax laws to all of the local assessing officials in the state. The DLGF assessment division provides and oversees training in assessment practices and certifies assessing officials, tax representatives, contractors, and professional appraisers. The assessment division oversees and provides technical assistance to local officials in the reassessment process and reviews the equalization studies each county assessor is required to perform during the reassessment. In addition, the assessment division is directly responsible for assessing utility distributable property and certain large industrial facilities and conducts personal property audits and reviews exemption decisions made at the local level. The agency staff works with all levels of local assessing officials, making regular visits to local offices to answer questions and provide assistance.

The DLGF operations division monitors and supervises the assessment software programs that counties use to perform mass appraisal throughout the state in order to ensure that these systems are capable of generating values compliant with the state standards.

The DLGF has the statutory responsibility to reassess Lake County and to handle all appeals from the reassessment directly. The DLGF has contracted with Cole Layer Trumble, Manatron, and Crowe Chizek to perform this work. DLGF staffs make regular visits to Lake County to monitor and direct performance of the reassessment process.

The DLGF conducts ongoing research and analysis in all areas of property taxation to ensure that the distribution of the property tax burden is uniform and equitable. The DLGF, in conjunction with the Indiana Fiscal Policy Institute, is performing an independent equalization study of the 2002 reassessment.

The IBTR adjudicates real property, personal property and exemption appeals received from the county PTABOAs. County auditor decisions concerning Enterprise Zone Inventory Credits are also appealed to the Board, as are original assessments by county assessors and PTABOAs. In addition, the agency adjudicates direct appeals from DLGF assessments and reviews, including appeals concerning personal property audits and assessments of distributable property and large industrial facilities. The IBTR also has additional responsibilities during the 2002 reassessment because of the independent reassessment of Lake County. The agency is hearing Lake County appeals directly since the Lake County Assessor and PTABOA have been removed from the reassessment process.



External Factors

The most significant external factors affecting property tax administration are the completion of the 2002 reassessment by local officials, the subsequent independent analysis of its results, and the anticipated volume and complexity of taxpayer appeals. A map depicting the ongoing progress of the assessment is available on-line at http://www.in.gov/dlgf/news/reassess_map.pdf.

Evaluation and Accomplishments

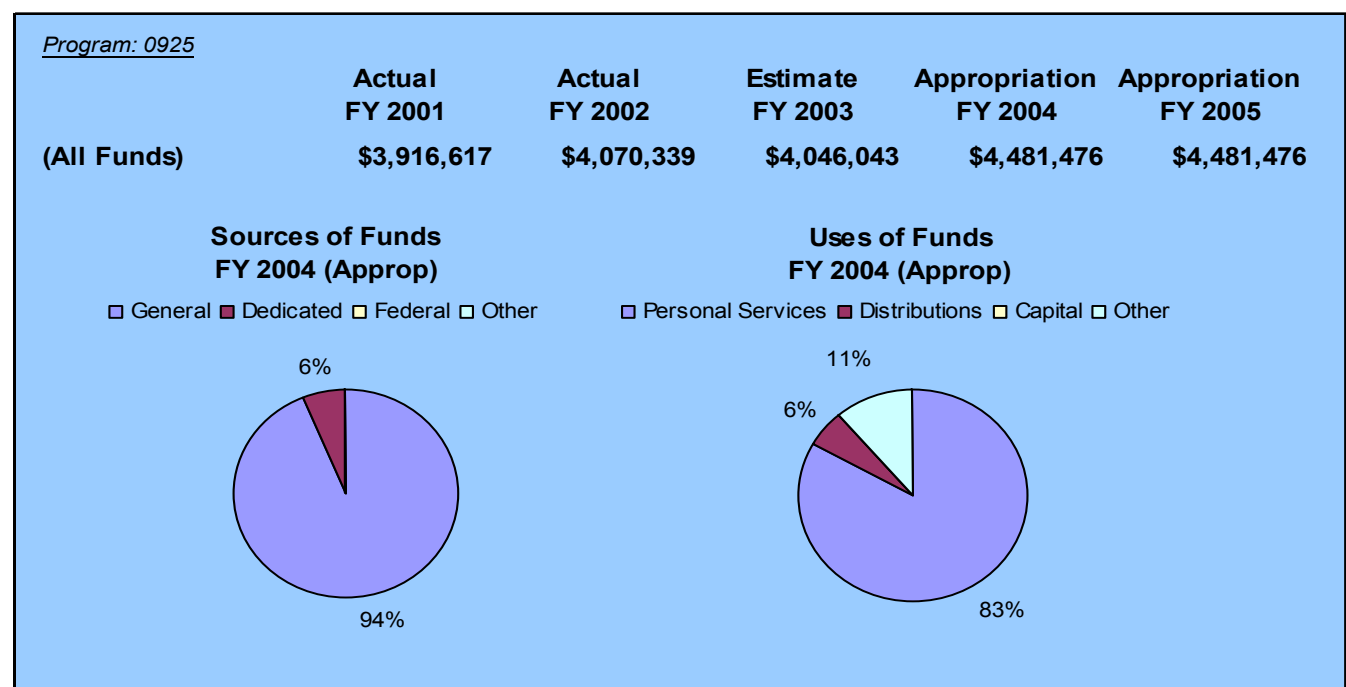
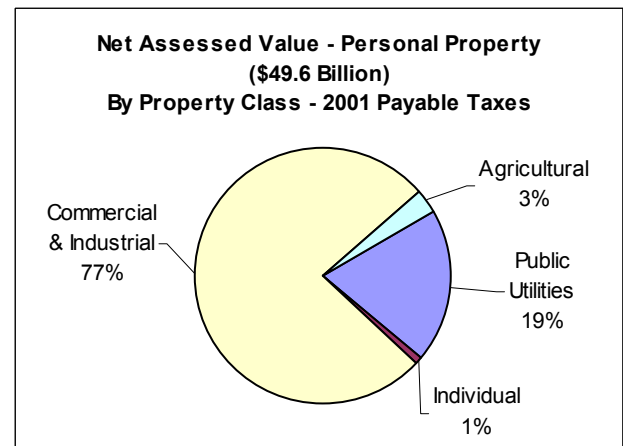
The DLGF finalized several rules during this biennium, an essential first step towards meeting the 2002 reassessment schedule and defining the process necessary to validate the reassessment once it is completed. In the meantime, the agency conducts periodic surveys of county assessors to determine reassessment progress and identify potential problem areas. In Lake County, DLGF's direct oversight activities have ensured that the project proceeds on schedule. The agency continues to be an important resource in training local assessors, especially important during this reassessment because of changes in assessment methodology. With regular visits to local assessor offices, we also provide a significant amount of one-on-one guidance.

The IBTR has eliminated the backlog of cases that has traditionally plagued the agency. The Board has also developed procedures and practices to comply with their more judicial role in the property tax appeal process and made all decisions issued since January 2002 available on-line. Staff training has been enhanced and strategies and revised administrative rules have been developed to improve the agency's ability to process and resolve the increased number of petitions anticipated from the 2002 reassessment.

Plans for the Biennium

The DLGF plans to address general needs that result from the changes in the property tax system and/or legislative mandates. This includes continuing to improve the level of technical assistance and training for local officials, developing/updating rules that guide the assessment process, and improving data capture, processing, and retrieval.

The IBTR's objective is to fully and fairly resolve all property tax appeals within the allotted statutory time frames. The agency will offer several procedures designed to expedite hearings and the issuance of its determinations, including a small claims process, alternative dispute resolution options, and "paper" hearings.



Elections

Mission

To govern the fair, legal and orderly conduct of elections in Indiana.

Summary of Activities

Elections in Indiana are regulated and coordinated by the combined activities of the **Indiana Election Commission** and the Election Division of the **Office of the Secretary of State**. Those activities are described below:

Training: One of the most important goals of the Division, this is accomplished through seminars including an annual conference, publications, and website: <http://www.state.in.us/sos/elections>.



Overseeing Voter Registration: The Division and the Commission prescribe voter registration forms, compile and maintain a statewide voter registration file, and oversee day-to-day operation of the state's voter registration.

Enforcing Campaign Finance Law: The Division and the Commission administer the Indiana Campaign Finance Act, serving as the repository for campaign finance data from thousands of committees, and offering them for public inspection in the Division office and on <http://www.indianacampaignfinance.com/>. The Commission is empowered to levy penalties for violations.

Certifying Voting Systems: The Commission must approve all voting systems prior to their purchase by counties or use by voters in Indiana elections.

Maintaining Election Maps: The Division is required to maintain complete legal descriptions and maps for all precincts in the state, and approves proposed changes to those precincts.

Serving as Indiana's "Clearinghouse" for Election Law and Procedure: The Commission serves as a clearinghouse of information pertaining to election laws, administrative rules, and other data for county election officials, news media, political organizations, and the general public.

The Division and Commission are also responsible for printing and distributing the certifications of candidacy and official paper ballots for all federal, state and judicial offices, resolving candidate eligibility challenges, administering polling accessibility standards, and developing a uniform set of election forms for use throughout the State.

External Factors

The number of candidates and political committees filing with the state can drastically affect the amount of mailing and data processing costs the Division incurs during an election cycle. It also impacts the amount of fines incurred when a committee files late or not at all. This makes the income of the campaign finance program unpredictable. However, it is the Division's desire to lessen or even end late campaign finance filings through education and improved filing so the Division never counts on these funds when budget planning.

Several outside organizations conduct voter registration drives as part of their "get-out-the-vote" efforts. It is difficult to predict with any certainty how many of these drives will take place during a cycle and therefore difficult to determine the Division's print orders to provide forms free of charge, as required by law. Increased registrations also come from the Bureau of Motor Vehicles and other public service facilities that are required to provide voter registration to their customers.

Evaluation and Accomplishments

The Election Division has begun to implement legislative changes, such as the use of a voter identification number for new and changed voter registrations, the adoption of provisional balloting beginning with the 2004 elections, and to work with county officials, voting system vendors, and the State Budget Agency to develop quantity purchase agreements and procedures to implement voting system improvements.

The Division has also continued to assist candidates and committees by improving campaign finance report software, and to enhance public access to campaign finance reports by making ongoing improvements to the Division's web site. The Division has continued to improve public access to information concerning legislative districts and precinct boundaries.

Finally, the Division continues to add features and improvements to their web pages so that Indiana voters have access to more information about candidates, election results, and other information to enhance meaningful participation in the election process.



Plans for the Biennium



Congress passed the Help America Vote Act (HAVA) (P.L. 107-252) in October, 2002 which imposes new election requirements on states and calls for the upgrade of voting machines. More than \$2 billion was authorized by Congress in FY 2003 to help states with election reform efforts. It is estimated that Indiana will receive a total of \$55 million from these funds. The 2003 Indiana General Assembly then passed Senate Bill 268 which changed Indiana law to comply with the new federal law which calls for the improvement in the administration of elections, the educating of voters and training of election officials, the development of a state plan, the improvement and replacement of outdated voting systems, and the improvement in the accessibility of polling places. With these legislative directives the Election Division and the Office of the Secretary of State are in the process of implementing the mandates. The implementation will focus, among other things, on ensuring that all remaining punch card voting systems and lever systems are replaced in qualifying precincts by January 1, 2006.

